



The President's Daily Brief

31 August 1971

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~~*Top Secret*~~

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

South Vietnamese military and government leaders appear to be less than unanimous in their support of President Thieu's election policy. (Page 1)

Laos

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The Soviets apparently now are advancing Gunnar Jarring as their candidate to succeed UN Secretary General U Thant. (Page 5)

Canada

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SOUTH VIETNAM

[redacted] President
Thieu met with senior South Vietnamese Army generals last week to seek assurance that they would back his plan to go ahead with the presidential elections on 3 October as scheduled. Although most of the generals readily pledged their support, some were noncommittal. A number of generals asserted that they were military men, not politicians, but would carry out Thieu's orders. Several felt Vice President Ky's exclusion from the race had been unfair, and at least one--Military Region I Commander General Lam--asserted that the senior military men should be allowed to meet together with Ky as he was also a military colleague. Lam did, however, express full agreement with Thieu's policy.

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A number of cabinet ministers also met last weekend, [redacted] and drafted a proposal suggesting the presidential election be postponed. The ministers, who are concerned that a one-man race could create a difficult political situation for the government, believe that Thieu should not resign, but that a special session of the National Assembly should be convened to amend the election law and reorganize the contest.

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Thus, it would appear that military and government leaders are less than unanimous in their support of Thieu's election policy. Thieu, however, has given no indication that he is considering changing his mind. While voting last Sunday, in fact, he announced that he would be back on 3 October, the date set for the presidential elections. Thieu probably would be concerned by any signs of opposition from his military commanders, although he is not likely to be worried by suggestions from some of his less influential cabinet ministers.

Ky has also been meeting with some of the generals, and he might be encouraged to oppose Thieu more strongly if he saw cracks in the President's military support. Ky, who has had a tendency to overrate his

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own support in the past, met recently with the chief of the Joint General Staff, General Vien, and came away optimistic that Vien would support him in any future political moves. Vien, however, told Ky-- as he did the senior generals before their meeting with Thieu--that the army's job was to stay out of politics.

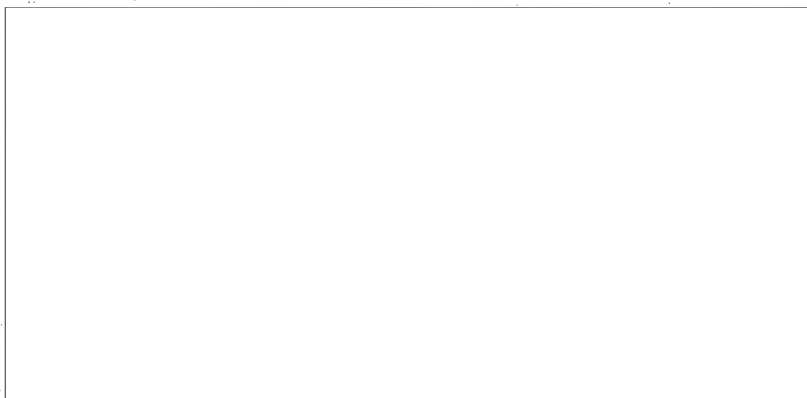
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Progovernment candidates are winning the bulk of the seats in Sunday's Lower House elections. Unofficial returns indicate that a majority of the deputies in the new 159-member House will be responsive to Thieu. Candidates backed by the opposition An Quang Buddhists did well in the northern provinces--their main center of strength.

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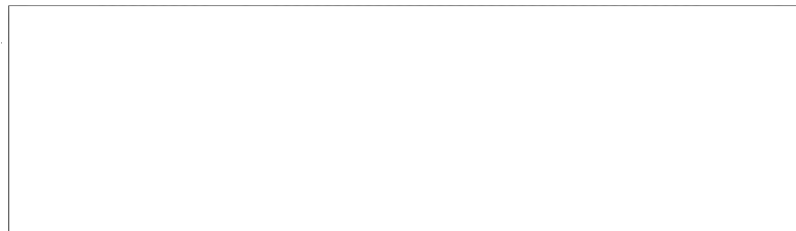
LAOS



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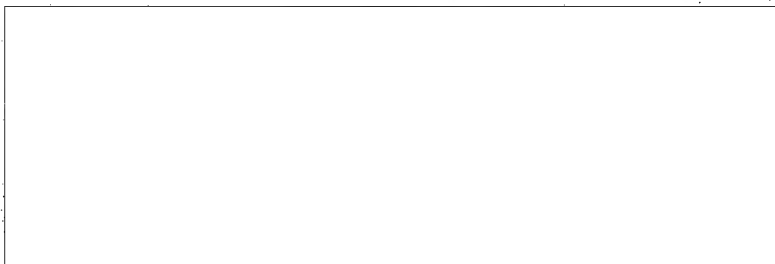
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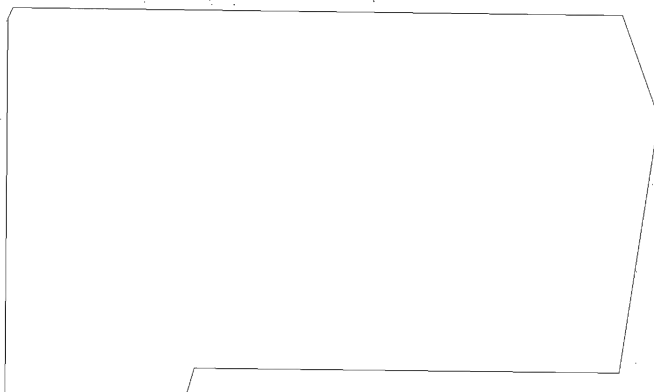
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JAPAN



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NOTES

UN: [redacted] the Soviets and their allies now are boosting Gunnar Jarring to succeed Secretary General Thant. Moscow is still trying to convince Thant to remain on the job, but Jarring seems to be the contingency candidate if, as seems likely, Thant does retire. Soviet representatives may also be floating Jarring's name to direct support away from the declared Nordic candidate, Max Jakobson of Finland. Jakobson's writings on Finnish neutrality have rankled the Soviets in the past, and the Kremlin is concerned that a dynamic figure like Jakobson might create waves on other matters if he becomes Secretary General. Peking's support of Jakobson is another factor that makes Moscow suspicious of his candidacy.

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USSR-Canada: [redacted]

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International Economic Developments: The latest quotations from the Japanese exchange market indicate that the yen has appreciated about six percent since it was floated on Saturday.

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[redacted] According to a late press report, Tokyo is sending a formal note to Washington asking for removal of the import surcharge as a response to the Japanese decision to float the yen.

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Malta-NATO: The North Atlantic Council yesterday reached no agreement on additional contributions to Malta for continued British base rights on the island. Italy was prepared to raise its pledge if others--including the UK--did likewise, but the British said they were "irrevocably" opposed to offering more. The UK-NATO offer of \$20.4 million in cash and aid, plus prospective bilateral aid packages from some NATO members, is short of Valletta's expectations. Prime Minister Mintoff, however, apparently still hopes to negotiate an accord with the British in order to avoid entanglements with Libya and the USSR that would compromise Malta's independence.

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